

University of Montana

ScholarWorks at University of Montana

Syllabi

Course Syllabi

Spring 1-2016

BMGT 486.04: Strategic Venture Management

Donald G. Gaumer

University of Montana, Missoula, don.gaumer@business.umt.edu

Follow this and additional works at: <https://scholarworks.umt.edu/syllabi>

Let us know how access to this document benefits you.

Recommended Citation

Gaumer, Donald G., "BMGT 486.04: Strategic Venture Management" (2016). *Syllabi*. 3866.

<https://scholarworks.umt.edu/syllabi/3866>

This Syllabus is brought to you for free and open access by the Course Syllabi at ScholarWorks at University of Montana. It has been accepted for inclusion in Syllabi by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact scholarworks@mso.umt.edu.

University of Montana School of Business Administration
MGMT 486 – Strategic Venture Management
Section: 04 MW 11:10 – 12:30

**Instructor
Information:**

Donald Gaumer
Office: GBB 336
Office Phone: 243-6618
Email:
don.gaumer@business.umt.edu

Office Hours: TR 11:10-
12:30, or by
appointment.

**Readings:
Required**

Bygrave and Zacharakis, Entrepreneurship, Second Edition. Available on Amazon.com or UM bookstore.

http://www.amazon.com/Entrepreneurship-William-D-Bygrave/dp/1118582896/ref=sr_1_1?ie=UTF8&qid=1450306990&sr=8-1&keywords=entrepreneurship+bygrave

Wall Street Journal Subscription – completed first day of class.

Assigned Articles posted to Moodle

Recommended

Business Plans that Work Zacharakis, Spinelli, (Amazon.com or UM Bookstore)

http://www.amazon.com/Business-Plans-that-Work-Guide/dp/0071748830/ref=sr_1_1?s=books&ie=UTF8&qid=1450307089&sr=1-1&keywords=business+plans+that+work

Business Model Generation, Osterwalder & Pigneur (Amazon.com or UM Bookstore)

http://www.amazon.com/Business-Model-Generation-Visionaries-Challengers/dp/0470876417/ref=sr_1_1?s=books&ie=UTF8&qid=1452464058&sr=1-1&keywords=business+model+generation

Readings of additional interest: Kim and Maubornge Blue Ocean Strategy

ATTENDANCE

This is your capstone course with a large percentage of your grade based on class contribution. Based on this, my expectations are quite simple: I expect students to attend class and contribute. Attendance will be taken on each class day. It is your responsibility to sign in upon arrival. Absence in three classes will drop your grade one letter five incidents of non-attendance will result in failure.

CLASS ENVIRONMENT

To promote an environment conducive to learning and discussion I ask that you refrain from the use of laptop computers and tablets. Use of phones for texting is also prohibited. I

expect everyone to be seated prior to the beginning of class and ask that you refrain from departing the room for any reason prior to the end of class.

COURSE OVERVIEW

This course is designed to provide students with the knowledge, skills, and abilities necessary to plan, finance, develop and operate a new business venture. It concentrates on attributes of entrepreneurs, searching for viable opportunities, and gathering the resources necessary to convert a viable opportunity into a new business venture. Students learn how to evaluate entrepreneurial ventures and their business plans. In addition, students work in teams to create a business plan for a high potential new business venture that they have developed. Each student group is expected to enter their plan in the Ruffatto Business Plan Competition which takes place in May.

COURSE OBJECTIVES AND TEACHING METHODOLOGY

This course concentrates on: searching the environment for new venture opportunities; matching an individual's skill set with a new venture opportunity; evaluating the viability of a new venture and the business model; analyzing the competition and the industry environment; obtaining financial resources for a new venture; and starting up and operating a new venture.

This course uses a combination of lectures, case studies, guest speakers, class discussions, and experiential exercises in order to expose students to the challenges that entrepreneurs face in conceiving, planning, financing, and operating a new business venture. This experience provides students with a framework that can be applied to assessing their own business ideas in the future.

The main project for the semester is for **teams of five students** to develop a business plan for their own new business venture.

Each student is required to generate ideas for **one** new venture. Each member then presents his or her ideas to the rest of the class. All ideas generated will be ranked by the entire class. The top seven ideas will be the plans that move forward. The originator of the idea will be the lead entrepreneur of that group. The remaining class members will then apply to become a member of the team that interests them. The lead entrepreneur will select four additional team members for the business.

The optimal team would have members that have a depth of experience with accounting, Finance, Management and Marketing.

The team will write a business plan over the course of the semester. Business plans are to be no longer than **20 pages including a minimum of 10 pages** of text and the remainder made up of supporting exhibits.

The semester will culminate with a formal presentation of the plan. In order to prepare for this numerous presentations will occur throughout the semester.

Although not all business plans generated by the class will result in an actual new business start-up, there are numerous examples of multi-million dollar ventures that were started in entrepreneurship courses (we'll read a few cases that will provide examples). The experience students gain through this project will be valuable for starting their own business in the future as well as for those who will work with entrepreneurs in the future as investors, bankers, lawyers, etc.

Learning Objectives BMGT 486 Strategic Venture Management

Upon completion of this course, a student will be able to:

- Integrate knowledge in management, marketing, operations, accounting and finance;
- Explain information technology and digital literacy; find, evaluate, analyze, and synthesize information effectively from diverse sources;
- Explain what determines the likelihood of a successful business venture in a competitive market environment;
- Develop and evaluate a business plan and operating strategy for a venture, create a mission statement and objectives of the venture, and compare the criteria used by various funding sources (banks, angel investors, venture capital, etc.);
- Identify the roles of leadership and teamwork in venture management activity, apply teamwork skills to solve a business problem, and assess how personal attributes influence the success and failure of a venture;
- Demonstrate written and oral communication skills as expected of business professionals, incl. conventions of citation, documentation and formal presentation, adopting the proper voice, and considering multiple perspectives.

Mission Statements and Assurance of Learning

The University of Montana's School of Business Administration is a collegial learning community dedicated to the teaching, exploration, and application of the knowledge and skills necessary to succeed in a competitive marketplace.

As part of our assessment process and assurance-of-learning standards, the School of Business Administration has adopted the following learning goals for our undergraduate students:

- Learning Goal 1: SoBA graduates will possess fundamental business knowledge.
- Learning Goal 2: SoBA graduates will be able to integrate business knowledge.
- Learning Goal 3: SoBA graduates will be effective communicators.
- Learning Goal 4: SoBA graduates will possess problem solving skills.
- Learning Goal 5: SoBA graduates will have an ethical awareness.
- Learning Goal 6: SoBA graduates will be proficient users of technology.
- Learning Goal 7: SoBA graduates will understand the global business environment in which they operate.

In addition, the Department of Accounting and Finance prepares ethically aware decision makers with effective analytical and qualitative business knowledge and skills to become professionals in their respective fields. We commit to high quality teaching and applying scholarship to professional practice and theory.

OTHER ENTREPRENEURSHIP OPPORTUNITIES

The University of Montana's John Ruffatto Business Plan Competition: The John Ruffatto Business Plan Competition was founded in 1990 and has become one of the premier entrepreneurial events in the state. Each May, the event attracts approximately 30 teams from college programs around the state to compete in the day-long event. The top 4 teams present their plans to an

MGMT486 Strategic Venture Management Spring 2016

audience of more than 250 business leaders, academicians, and students. The competition's distinguished judges and the audience submit their votes following the evening presentations and awards are given to all four teams that made the final cut. In the past three years, SOBA has been able to increase the total prize money from \$3,000 to \$50,000 as well as to raise the funds necessary to ensure that students traveling to Missoula for the event are provided with scholarships to cover their transportation and lodging. This year the prize money will total more than \$50,000.

More than 500 students from around the state have participated in the event since its inception and approximately 50 of the student business plans have been implemented. The most recent success stories are Big Sky Brewing Company (now one of the top 20 microbreweries in the country) and Kinetic Sports Interactive, an interactive media company that provides personalized training program supplemental software for companies such as Bowflex, Body by Jake, and several others.

As a requirement of this course each team is expected to submit its finished plan to the competition.

EXPECTATIONS

My expectations for this course can be described in only one way: very high. Here are some of my specific expectations:

- Proficiency in all business disciplines (i.e., accounting, finance, marketing, organizational behavior, human resource management, etc.). If you feel weak in any specific area(s) you should be prepared to allocate extra time to redevelop your skills.
- Proficiency in communicating your ideas and opinions both orally and in written form.
- Utilize the appropriate tools and methodologies in order to analyze the case studies assigned each week. This means that if the case study requires financial analysis, then your group should conduct a financial analysis.
- Apply the readings assigned each week and previous readings in your analyses. This means applying specific models, concepts, and theories from the readings to the case that we are discussing. You shouldn't be analyzing case studies without the tools you learn in this class.
- Plan on 75 percent of the time discussing cases to consist of comments, feedback, and arguments shared between you and your classmates. Be prepared to contribute.

READINGS, CASES, AND EXERCISES

Readings: Readings should be completed prior to coming to class. From time to time I will call on students to reflect on the assigned readings. Be prepared.

Cases: Cases will be analyzed by students before class sessions and discussed in terms of the entrepreneurial issues and strategic recommendations for the new business venture. If you have not read the case and done significant preparation, your class participation grade will be reflective of your lack of effort. Every case requires a written answer to the assigned questions. I expect a minimum two page response. Your responses will be graded as a part of the writing assessment.

Exercises: Several exercises will be used throughout the semester in order to provide the opportunity for you to apply conceptual material to real business situations.

STUDENT EVALUATION

MGMT486 Strategic Venture Management Spring 2016

General comment: Grading in this course is competitive. You will be evaluated relative to the work that your classmates submit.

GRADING FOR ENTREPRENEURSHIP:

<u>COMPONENTS</u>	<u>PERCENTAGE OF FINAL GRADE</u>
<i>Individual:</i>	
Class contribution (Includes team mate peer review)	15%
WSJ Article written analysis (average of multiple assignments)	20%
Elevator Pitch	5%
<i>Group:</i>	
Written Business Plan	35%
Business Plan Presentation	25%
TOTAL	100%

Note: An intricate instrument has been developed for assessing your class contribution and peer evaluation scores. Be sure to complete the form at the end of the semester. **You must complete the evaluation and submit it by the due date in order for your input to count.**

DESCRIPTION OF EVALUATION COMPONENTS

Class contribution

Individual

As mentioned above, class contribution will play an integral role in how much learning takes place during the semester. Your contribution will be evaluated in terms of the value you add to class discussions. Both quality and quantity will be evaluated. This requires not only completing assigned readings but also coming to class with prepared questions and arguments regarding what the assigned reading has tried to convey. The most valuable contribution that students can make come through integrating assigned readings with what you have learned from other courses with what you have experienced or observed in the outside world. Comments or behaviors that detract from the learning environment will have a significant and negative impact on your grade.

Group

For each case study your team should complete three or more of the following analytical models:

1. Models: Timmons,, E-O-R, 3 M's, Porter's Five Forces, Generic Competitive Advantage Building Blocks, financials, etc. Your team should decide which is appropriate.
2. Strategic alternatives and implementation plan

Your group is required to prepare detailed exhibits for each case study. I'd suggest that your team should prepare a minimum of three analytical models for each case in order to be competitive with other teams in the class. These analytical models should make a significant contribution to the discussion and demonstrate a high degree of analytical thought. You should be as detailed as possible. I suggest looking at the analytical models from past business plans that are posted on

MGMT486 Strategic Venture Management Spring 2016

Moodle. These exhibits are to be submitted via in hard copy form at the beginning of each class. Your submissions should be made in **PowerPoint**

Each student is also responsible for submitting a case analysis. The analysis should answer the questions at the end of each case. You should enhance your answers by viewing each question in the context of the EOR, 3Ms and 5 Forces models.

WSJ Article Analysis

These assignments will be graded. The WSJ assignment gives each student the choice of article to use. Find an article that reviews a business, industry or business trend and provide a two –page (print two sided to produce one sheet) competitive and strategic analysis. If the article relates to a business's future or plans you should apply a thought process of the Five Forces to analyze the competitive risks involved in the plan. To achieve a good grade you should integrate your thoughts and opinions; relating simply what the story communicates will not result in a high grade.

Grading of these assignments will be based on the content as well as quality of your writing, structure of the memo, spelling and grammar. Proof read and review your assignment prior to turning it in. Late assignments will not be accepted.

Elevator Pitch

Individual. Grading will be done based on your ability to concisely communicate the idea and opportunity of your business idea in 60 seconds or less. This is not a natural state of communication and as such I highly recommend that you practice this presentation many times with a colleague or in front of a mirror. I have observed very knowledgeable business people come to a standstill when asked to briefly describe an idea. Make sure you are prepared to do so with a moment's notice.

BUSINESS PLAN FINAL REPORT AND PRESENTATION

Business Plan

The final business plan that you turn in is likely to be lengthy, but should **be no more than 40 pages long including text and exhibits**. The text portion is to be no longer than 25 pages. You are to **submit one high quality copy, one regular copy for grading, and one electronic copy in pdf format for my records**. The document should contain all information necessary for an investor to evaluate the business and it's potential. You are a group of entrepreneurs starting your own business. As such, I expect that the work will be done solely by your group and with occasional assistance from either me or from one of the Business School Faculty members.

Research for your business plan should extend beyond reliance on the Internet. There are numerous sources of market data available. When you do use data from an internet source the source should be cited and should be a reliable and recognizable. For example, using Fred's Market Data would not be considered reliable. In contrast, using government census data would be considered reliable.

Survey results and other primary research will enhance your plan and your grade.

Final Business Plan Presentations

Your group will provide a presentation of your business plan to the class during one of the final class sessions. Presentations Are limited to 15 minutes and will follow the rules set out for the

Ruffatto Business Plan Competition. All presentations are expected to be formal, as if you were presenting the business to a group of potential investors. As such, all students (including those not scheduled to present) are expected to dress in formal business attire.

Your entire group is expected to attend all presentations. No exceptions. Failure to attend will significantly affect your course grade.

EXPECTATIONS FOR WRITTEN ASSIGNMENTS

Your success in the business world will depend, to a large extent, on your ability to communicate. Courses during your first few years at the Business School provided the opportunity to hone your written and oral communication skills. This course will provide you with the opportunity to develop further both of these skills. You will be required to make a formal presentation to your classmates and possibly some external judges at the end of the semester and try to convince them of the strength of your business plan. You will also be required to submit several written business reports, including a comprehensive business plan. The purpose of this section is to help you with your written assignments by providing a number of helpful suggestions as well as outlining my expectations.

Substance: You should substantiate what you are trying to convey with facts and data. In most cases, you will be asking the reader of your business report to commit substantial resources--financial, human, or physical--to a project. The decision-maker will not make the decision because you think is a good concept. Rather, you will need to convince the reader by providing hard facts and data with appropriate citations. Your rationale and reasoning should be explained logically and clearly. Effective business reports are not documents put together at the last minute—they take time to develop.

Style: The style of your business reports should be clear, concise, and to the point. The executive reading the report does not want to be entertained. He or she wants the information necessary to make a decision. Avoid flowery language with lots of adjectives and adverbs. Don't use the term "big nail" if the word "spike" more accurately conveys the idea. I have high expectations. If you want to excel in the business world you should too.

Outline: Most word processing software includes an outlining function. Use it. Begin your business reports by developing an outline to organize your thoughts and the concepts you are trying to convey. The more comprehensive and detailed your outline, the easier it will be to write the report.

Proofread: Carefully proofread each draft of the report. You will probably need three or four drafts before you are satisfied with the report.

Exhibits/Appendices: I do not expect to receive exhibits or appendices with your handwriting on them. Instead, you should have typed exhibit numbers. This includes copying exhibits from other sources. Unless you are using a photograph that cannot be reproduced in PowerPoint, I expect you to make models, charts, and spreadsheets on your own. This takes time but it is all part of being professional.

Due dates: Reports are due on the dates assigned and at the start of our business meetings. Late

MGMT486 Strategic Venture Management Spring 2016

reports will have the grade lowered by one full grade. Late case study analyses will not be accepted and will receive a grade of zero.

Grading: Written work will be graded as if I were an executive trying to make a business decision based upon the written report. **Grading will be competitive. That is, your work will be graded relative to those turned in by your classmates.** Proper spelling, syntax, grammar, punctuation, bibliography, citations, footnotes, and professional appearance are expected. Your grade may be lowered as much as two full letter grades if these areas are lacking.

Reviewing papers: My policy is not to review student papers before they are turned in for grading. I am, however, willing to discuss the logical reasoning and proposed content of your reports. Before visiting my office you should have made significant progress and should be well prepared.

Plagiarism: Don't do it. I have no mercy. Plagiarism includes taking exhibits from books without giving credit and taking any exhibit from another group.

SELECTING YOUR TEAM MEMBERS

Founders: Forming a strong team is central to successful entrepreneurial ventures. Forming such a team for this class is also very important. Selecting individuals with whom you will work during the semester is a key part in this class. **Your decision should not be made lightly.** Although getting along with the other members of your team is important, for the assignments are required to do in this class it is much more important that you select team members with a wide range of skills and abilities. This means that you should come to class on the scheduled day prepared with questions that you will ask other students regarding their industry experience, relevant course work, work styles, and motivations for taking advantage of the learning opportunities provided in this course. I will provide ample time during this class for you to assess who will be a member of your team. . This might mean that some smaller groups may be divided up in order to fill out other groups. Each team, once established, will turn in a sheet of paper listing the members of and a name for your team.

PEER EVALUATION OF TEAM MEMBERS

The Peer Evaluation Form is provided on Moodle. **I strongly suggest that you check these forms out early in the semester so that you fully understand the criterion on which you will be evaluated.**

In addition, this form asks that you evaluate your own contribution to the class and the contribution that your team members made to the class as well. I will use these grades along with my own to evaluate the class contribution of each student.